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## BLUE MOUNTAIN DISTRIBUTION SYSTEM ANNUAL MEETING

FEBRUARY 22, 2005

The annual meeting of the Blue Mountain Distribution System was called to order at 7:00 p.m. by Chairman Gary Halls. The first item of business was the reading of the minutes of the 2004 annual meeting by Mark Page. There was one correction. The daily rate to be paid to the Commissioner was \$10.00 rather than \$16.20 as noted in the minutes. A motion was made by Guy Tracy, and seconded by Joseph Barton, to accept the minutes with the noted correction. The motion passed.

The Commissioner's Report was the next item of business. Mr. Clarence Pehrson indicated that there was essentially very little water diverted on the system in 2004. Because of the low flows it was very difficult to keep the devices regulated. Chet Johnson made a motion to accept the Report, and the motion was seconded by Clem Washburn. All present voted in the affirmative.

The next item of business was the appointment of a commissioner to serve for a four year term. Joseph Barton made a motion to reappoint Mr. Clarence Pehrson to another term. The motion was seconded by Guy Tracy. The vote was unanimous.

The next item of business was to review the 2004 Financial Statement. Mr. John Larsen indicated that as of January 1, 2004 there was \$370.20 in the Trust Account. Receipts during 2004 totaled \$1579.12. Regular assessments accounted for \$1390.00. The account earned \$5.72 in interest. Expenditures for the year totaled \$1514.55. There was an overdraft of \$130.00 in the contractual services account. As of December 31, 2004, there was \$434.77 in the account. There are no delinquent accounts. A motion was made by Chet Johnson, and seconded by Stephen Barton, to accept the Financial Statement. The vote was unanimous.

Mr. Halls indicated that the next item of business was the preparation of the budget for 2005. After a brief discussion, it was decided that the following budget would meet the anticipated needs of the system. This would include a salary of \$520.00, and \$16.20 for each day that the commissioner works on the system. The 2005 budget is as follows:

Commissioner's Salary	\$520.00
Contractual Services	\$700.00
Social Security	\$40.00
Workman's Compensation	\$10.00
State Engineer's Assessment	\$105.00
Total	\$1375.00

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Clem Washburn made a motion to accept the budget. The motion was seconded by Stephen Barton, and the vote was unanimous.

A motion was made by Chet Johnson to set the assessment at \$1375.00. The motion was seconded by Joseph Barton. The motion passed.

The assessment to the users will be made as follows:

San Juan County Conservancy District	60%
Blue Mountain Irrigation Company	10%
Gary Halls	10%
Monticello City	10%
Pioneer Ditch c/o Monticello City	10%

Chairman Halls indicated that a committee should be appointed to serve during 2005. After a brief discussion by the group, Guy Tracy made a motion to appoint the following Committee. The motion was seconded by Karl Barton. All voted in the affirmative. The committee consists of the following individuals:

Gary Halls	Chairman
Bruce Adams	Vice Chairman
Chet Johnson	Pioneer Ditch
Clem Washburn	Spring Creek
Joseph Barton	Verdure Creek
Rigby Wright	North Creek/Carlisle Water Company

It was noted that the snowpack at the Camp Jackson Snotel station is currently 253% compared to 84% in 2004. A much better water year is expected in 2005 if the snowpack remains above normal until the runoff begins

Other business discussed included storing water on Spring Creek. It was noted that San Juan County was pursuing this potential project. The Bureau of Reclamation and NRCS have been involved in some early data gathering and preliminary drawing of a dam in the Clay Draw area. However, there have been no recent discussions about the project.

There was also a concern that the culinary water project contemplated by Monticello City should include sufficient valving to regulate the water in the pipeline to the flow of water that the City owns or controls.

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Mr. Sim also discussed three bills that are currently before the legislature. House Bill 29 clarifies the duties of the State Engineer. House Bill 38 provides for graduated criminal penalties for various criminal provisions pertaining to the regulation and distribution of water. House Bill 157 defines the enforcement procedures and penalties available to the State Engineer in the performance of his duties.

With no further business the meeting adjourned at 8:10 p.m.

Those in attendance at the meeting included:

Gary Halls	Blue Mountain Distribution System
Chet Johnson	Pioneer Ditch
Clarence Pehrson	Commissioner
Guy Tracy	Blue Mountain
Joseph Barton	Verdure Creek
Francis Barton	Verdure Creek
Karl Barton	Verdure Creek
Clem Washburn	North Creek
Rigby Wright	North Creek/Carlisle Water Company
Stephen Barton	Verdure Creek
Lee Sim	Division of Water Rights
John Larsen	Division of Water Rights
Mark Page	Division of Water Rights